

Message Text

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E.O. 11652: N/A

TAGS: PFOR EGEN ELAB DA

SUBJECT: ECONOMIC DEMOCRACY

SUMMARY: "ECONOMIC DEMOCRACY", THE SOCIAL DEMOCRATS' CONTROVERSIAL PLAN FOR PRADUAL "SOCIALIZATION" OF DANISH INDUSTRY, POSES A DELICTATE DILEMMA FOR THEM SINCE THE GOVERNMENT AND THE DANISH TRADE UNION FEDERATION (LO) HAVE CONFLICTING IDEAS REGARDING THE TACTICS FOR PUSHING THIS PLAN. IN HIS SPEECH AT THE OPENING OF PARLIAMENT TODAY (OCTOBER 7), THE PRIME MINISTER ANNOUNCED THE APPOINTMENT OF A "WORKING GROUP" TO GIVE FURTHER STUDY TO "ECONOMIC DEMOCRACY". END SUMMARY.

1) THE RETURN OF THE SOCIAL DEMOCRATIC GOVERNMENT IN
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FEBRUARY REVIVED CONCERN ONCE AGAIN OVER THE GOVERNMENT'S

INTENTIONS REGARDING "ECONOMIC DEMOCRACY" (ED). AT THAT TIME, PRIME MINISTER ANKER JORGENSEN MOVED QUICKLY TO SCOTCH FEARS OF THE BUSINESS COMMUNITY (AND ITS PARLIAMENTARY ALLIES) ON THIS ISSUE BY ANNOUNCING THAT HIS PARTY WAS WELL AWARE OF ITS MINORITY POSITION AND INTENDED TO GOVERN PRAGMATICALLY. SUBSEQUENTLY, DURING ITS FIRST EIGHT MONTHS IN OFFICE, THE GOVERNMENT CAREFULLY PURSUED A POLICY OF COOPERATION "ACROSS THE MIDDLE" WITH THE NON-SOCIALIST PARTIES, EXCLUDING, HOWEVER, GLISTRUP'S FAR-RIGHT PROGRESS PARTY. WHILE ED WAS NOT DISOWNED DURING THIS PERIOD, IT WAS DEFINITELY PUT ON THE SHELF.

2) PRESSURE HAS BEEN GROWING, HOWEVER, FOR THE GOVERNMENT TO TAKE SOME STAND ON ED, ON THE GROUNDS THAT CONTINUED INACTION WOULD RISK PERMITTING ED TO BE PUSHED COMPLETELY OUT OF THE POLITICAL ARENA AND PUBLIC CONSCIOUSNESS. ON THE OTHER HAND, THE SOCIAL DEMOCRATS, CONTROLLING ONLY 54 SEATS (30 PERCENT OF THE PARLIAMENT), HAVE NO PROSPECT OF HAVING THE PLAN ADOPTED. EVEN TO INTRODUCE THE ED BILL, AS THEY DID IN 1974, WOULD JEOPARDIZE THEIR PRESENT POLICY OF COOPERATION ACROSS THE MIDDLE. IN THESE CIRCUMSTANCES, PRIME MINISTER JORGENSEN RECENTLY PROPOSED UNOFFICIALLY THE APPOINTMENT OF A COMMISSION TO GIVE FURTHER STUDY TO THE MATTER.

3) IN RESPONSE TO THIS SUGGESTION, HENNING CHRISTOPHERSEN, THE POLITICAL SPOKESMAN OF THE LIBERAL PARTY, DECLARED THAT THE LIBERALS WOULD SUPPORT SUCH A COMMISSION ONLY IF IT WERE APPOINTED BY PARLIAMENT (AND REELECTED, THEREFORE, THE PREDOMINANT NON-SOCIALIST MAJORITY). MORE EXPLICITLY, CHRISTOPHERSEN MADE IT CLEAR THAT SUCH A COMMISSION (A) SHOULD HAVE THE MANDATE TO PREPARE AN OFFICIAL PARLIAMENTARY PROPOSAL REGARDING ED, AND (B) SHOULD NOT BE LIMITED TO THE SOCIAL DEMOCRATIC PROPOSAL ALONE.

4) A COMMISSION WITH SUCH A MANDATE WAS WHOLLY UNACCEPTABLE TO THE DANISH TRADE UNION FEDERATION (LO), WHICH, HAVING AUTHORED THE PRESENT SOCIAL DEMOCRATIC PROPOSAL, IS VERY ZEALOUS TO PROTECT ITS CURRENT STATUS AS THE ONLY ED PLAN WITH A GLOSS OF OFFICIAL SUPPORT. IN MAY, THE LO RELEASED LIMITED OFFICIAL USE

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A 40-MINUTE COLOR FILM EXPLAINING ITS PROPOSAL AND IS SPENDING THOUSANDS OF KRONER ON A SATURATION CAMPAIGN TO SELL THE PROPOSAL TO ITS MEMBERS THIS FALL. THE LO LEADERSHIP HAS BEEN, THEREFORE, STRONGLY OPPOSED TO THE APPOINTMENT OF ANY COMMISSION, IT WOULD PREFER TO CONTINUE ITS EDUCATIONAL CAMPAIGN AND AWAIT THE NEXT ELECTION, WHEN "ECONOMIC DEMOCRACY" COULD BE A PRIMARY ISSUE.

5) ECONOMIC DEMOCRACY HAS THUS BECOME SOMETHING OF A DILEMMA FOR THE SOCIAL DEMOCRATIC PARTY. AT THE OPENING OF PARLIAMENT TODAY (OCTOBER 7), THE PRIME MINISTER DECIDED TO COMPROMISE AND ANNOUNCED THE APPOINTMENT OF A "WORKING GROUP" OF EXPERTS TO STUDY THE QUESTION. BY APPOINTING OR HAVING THE MINISTER OF LABOR APPOINT, SUCH A "WORKING GROUP", IT CAN BE GIVEN A MAJORITY FAVORING THE SOCIAL DEMOCRATIC PROPOSAL. NEVERTHELESS, THIS WAS THE MINIMAL OPTION AVAILABLE, AND IT CAUSED CONSIDERABLE MERRIMENT IN THE LIBERAL PARTY BENCHES. THE LIBERALS HAVE BEEN ATTEMPTING TO REPLACE THE CONSERVATIVES AS THE REPRESENTATIVES OF INDUSTRIAL AND COMMERCIAL INTERESTS, AND THEY WISHED TO INSURE THAT NO ONE MISSED THIS IMPORTANT VICTORY.

6) COMMENT: IT APPEARS THAT ECONOMIC DEMOCRACY WILL BE BURIED IN THE "WORKING GROUP" AT LEAST UNTIL NEXT SPRING AFTER THE GOVERNMENT HAS REACHED AGREEMENT WITH THE MODERATE RIGHT PARTIES ON THE AREAS TO BE AFFECTED BY BUDGETARY SAVINGS.
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